

**Louisiana Housing Trust Fund**  
**Frequently Asked Questions (FAQs) # 3**  
**June 16, 2008**

**Question:** Because our project involves infill redevelopment of former public housing, our project has relatively high development costs due to required demolition, relocation, and infrastructure work. Is there any maximum development costs that we should be aware of, provided the HTF funds won't exceed the per unit amount?

**Response:** The LHTF Guidelines do not establish any maximum development costs; however, all cost estimates must be itemized and verified by an unrelated third party which may be the project's architect.

**Question:** The underwriting guidelines refer to mortgage amounts that must not exceed 95% LTV ratio. How will HTF determine the values of units to be sold upon completion?

**Response:** The LHTF Guidelines and the Application anticipate that the values of units sold will be determined by an independent appraiser.

**Question:** We expect homeowner mortgages to total around \$160,000.00 per unit, for a total of about \$720,000 for the project. Does this \$720,000 count as leverage of the HTF funds? Is there any documentation requirements associated with this component of leverage?

**Response:** The LHTF Guidelines anticipate that leverage will be based upon the permanent funds following completion and transfer of units. The Louisiana Housing Finance Agency will coordinate all unit transfers to verify the amount of development and affordability subsidies for each unit.

**Question:** If a not for profit have not received their IRS designation and the application is pending determination, can they still apply for the HTF? Do they need a waiver?

**Response:** The LHTF Guidelines do not require a 501(c)(3) arrangement for nonprofits and a waiver is not required.

**Question:** If our organization is entering into a contract to purchase property that is zoned commercial and we want to do residential-multifamily and the zoning cannot be changed until we purchase the property, do we need a waiver? Can we still apply for HTF?

**Response:** The LHTF Guidelines provides as follows:

*“4. Zoning: The applicant must demonstrate that the zoning for each site on which the project will be located allows for the use(s) proposed by the applicant. Thus, at a minimum, the zoning designation for each site must allow residential use.”*

All waiver requests must be submitted by June 18, 2008, however, if the property is not zoned properly, staff will not recommend to the Board of Commissioners approval of such a waiver given the importance of having zoning at the time of the Application submission.

**Question:** We are applying for grant funding for new construction projects. Do we need an appraisal on the property if it was acquired through the state's adjudication program? The property is recorded as an “Act of Donation”.

**Response:** *“If land is being donated, an as-is appraisal is not required.”* The LHTF Guidelines anticipate that leverage will be based upon the permanent funds following completion and transfer of units. An appraisal will be required if the “donated property” is intended to satisfy all or a portion of the match requirement. The Guidelines provide as follows: *“If land is being donated, an as-is appraisal is not required.”*

**Question:** In the application review section under Backlog/Status of Current Projects: Do we have to provide a detailed list of addresses and stages of construction or can we simply write a narrative describing our current projects?

**Response:** A detailed list of addresses and stages of construction will be expected along with a narrative.

**Question:** If we make a house plan handicapped accessible and we receive points for this, does this lock us into marketing and selling the home to someone who fits this criterion? If we have a family that is selected and they do not require this, would we still be required to build according to the plans submitted.

**Response:** All handicapped units should be marketed to households with members who are impaired. Nevertheless, upon marketing for a minimum

of 30 days and evidence of the marketing strategy, the Agency may approve the sale to households with a member without impairment.

Yes

**Question:** On page 17 the statement reads as if all homes have to follow these guidelines and meet accessibility guidelines, but on page 19 only 5% have to be “adaptable”, are there any requirements in terms of accessibility that all homes submitted must comply with? Please define “adaptable”.

**Response:** The HTF Guidelines require that 5% of the Homeownership units be “adaptable”. The opinion of the Advisory Council is that the units are required to have some adaptable components such as ( wide door widths, adequate turn radiuses in the baths, and blocking in bathrooms to allow for installation of grab bars, sinks open underneath, etc.) but not full accessibility unless a qualified buyer or renter needed this accommodation.

Use the following definition from the Qualified Allocation Plan for Tax Credits:

**ADAPTABLE:** *The flexibility of certain building spaces to add features or adjust elements in a short time by unskilled labor without structural or material changes to accommodate the needs of persons with different types or degrees of disability. Examples of adaptable features include counter tops or closet rods that are supported by adjustable supports rather than built into the wall at a fixed level.*

**Question:** The City of Monroe has decided to donate land that needs to be subdivided and rezones for residential. This will take one month for the city counsel to meet and for this to take place. We would like to submit these three lots as “donated land” however, we need 30 days for the “act of donation” to be complete. Should we get a letter of intent from the Mayor of the City and submit with application?

**Response:** The LHTF Guidelines provides as follows:

*“4. Zoning: The applicant must demonstrate that the zoning for each site on which the project will be located allows for the use(s) proposed by the applicant. Thus, at a minimum, the zoning designation for each site must allow residential use.”*

A waiver request must be submitted if the property is not zoned residential at the time of the Application submission; however, the staff will not recommend to the Board of Commissioners approval of such a waiver given the importance of having zoning at the time of the Application submission.

**Question:** Is a Church considered a Community Development Corporation?  
Would LHFA allow us to pass HTF dollars on to a third party? For example, could the Department of Community Development provide funds along with other organizations to a church seeking to construct houses?

**Response:** A Church is not considered a Community Development Corporation. LHFA will not permit HTF dollars to be passed on by Applicant to third parties unless such transfers are in connection with the payment of costs of a housing units constructed under the direction and control of the Applicant.

**Question:** How recent should the affirmative marketing plan be?

**Response:** 60 days.